No. 22,236

In the United States Court of Appeals For the Ninth Circuit

PHILIP J. KENNEY,
Appellant,

vs.

AMERICAN CAN COMPANY, a corporation,
Appellee.

APPELLEE'S BRIEF

Appeal from the United States District Court
for the District of Oregon
HONORABLE GUS J. SOLOMON, *Judge*

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JURISDICTION

Appellant (plaintiff below) is a citizen of Oregon. Appellee (defendant below) is a New Jersey corporation, with its principal place of business in a state other than the State of Oregon. The claim, exclusive of interest and costs, exceeds $10,000 (R 44).

Judgment for Appellee was entered August 16, 1967 (R 249), and appellant filed his (second) Notice of Appeal on August 23, 1967 (R 252). The District Court had jurisdiction under 28 USC § 1332, as amended. This Court has jurisdiction under 28 USC § 1291, as amended.

STATEMENT OF THE CASE

Prefatory

Appellant is a layman and is presenting his own case. Whether he is doing so by choice, as he did below (Tr. 6[1]; 36; 97-8) or by necessity, as he says here (PB3[1]; see also Tr. 110-112), it is regrettable that he is not represented by counsel.

The Court below repeatedly urged Appellant to obtain a lawyer (Tr. 6, 36, 97-8, 110-12). When his urgings failed, the Court extended itself to help Appellant present his case and to make sure that the Court understood his case and his contentions.

Under these circumstances, some informality and lack of clarity are inevitable, but should not prejudice Appellant. We attempt below to supply the statement of the case and of the facts, such as usually is made by an appellant, and we venture to state, as well as possible, the grounds of the appeal and the asserted errors (infra pp. 3-16). We believe that any insufficiencies in that regard will not prejudice Appellant or materially impede the disposition of the appeal, because the factual grounds of decision below, and of Appellee's position here, are quite independent of any particular theory or

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1. The following abbreviations will be used throughout this brief: "Tr. 6" refers to page 6 of the reporter's transcript of the trial proceeding; "R. 263" refers to page 263 of the bound original papers transmitted to this Court; "PB3" refers to page 3 of Appellant's (Plaintiff's) brief; "PTO" refers to Pretrial Order consisting of Agreed Statement of Facts and annexed exhibits. Emphasis throughout is ours unless noted.

rationale of Appellant's "grievance". They cut through a great deal, and present affirmative reasons why there can be no rightful claim against Appellee.

Statement of the Pleadings and the Facts

Two facts are the core of the case, viz., (1) the fact that in 1955 Appellant submitted a certain idea to Appellee concerning an "easy open" seal for can tops, and (2) the fact that since 1963 defendant has sold coffee cans having an "easy open" seal. Appellant says, and Appellee denies, that Appellee's seal uses his idea, and on various not too clear theories he claimed a right of recovery, as for a misappropriation. (PTO, at R 77-81). Appellee stated a number of grounds of defense in addition to that basic denial including the fact that the seals of both parties were in the public domain before 1955, so that Appellant could have no claim even if the two had something in common. (PTO, at R 82-86).

The Court below dismissed the complaint on particular but sufficient grounds which made it needless to consider all of the defenses. Its conclusions (R. 246-247) were (1) that a certain executed submission agreement of November, 1955, governs the relation between the parties on the subject at hand; (2) that there was no disclosure in confidence, and no relation of trust and confidence; (3) that Appellee has not breached any agreement with or duty to Appellant, and has not ap-

propriated or misappropriated any property of his; and (4) that Appellant has no basis for a claim against the form of seal used by Appellee.

The material facts are those concerning the 1955 transactions, the "seal" idea then submitted by Appellant, the different seal used by Appellee, and the prior disclosures which show that in all relevant respects both Appellant's seal and Appellee's different seal were in the public domain before 1955. To present these facts here, it seemed best simply to reproduce, with added annotation and a few added comments, the findings of fact (R. 239-246) which we prepared at the request of the Court and which it adopted as submitted, saying (Tr. 108-9):

> "Ordinarily, Mr. Kenney, I don't sign findings in the manner in which they are submitted. But, I think that this is a pretty good set of findings, and sets forth the basis for the decision which I made."

The Findings of Fact[2]

II. The complaint [R1], the amended complaint [R16] and plaintiff's contentions in the pretrial order [R77] purport to state claims under three counts which are not entirely clear in meaning, either as to all of their propositions of fact or their propositions of law or

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2. All matter in brackets is added.

their theory of claim, but all of which hinge on the assertion that for the "easy-open" sealing means of a certain can made and sold by defendant since 1963 defendant used something which had been disclosed to it by plaintiff in 1955 and which defendant was under obligation not to use. It is not necessary to resolve all of the questions concerning these three counts because this charge of misappropriation is basic to all of them.

III. In March, 1955, after learning from a publication on the submission of ideas to companies that defendant had a "Form 2538" for the purpose, plaintiff wrote to defendant saying that he had an invention with "Patent Pending" which he would like to submit and asking for copies of Form 2538, which defendant thereupon sent to him. [PTO, IV, at R46]

IV. In August, 1955, plaintiff filled out and executed two copies of Form 2538 [PTO, VIII & Exh. A, R48-9, R96-97], from which he deleted one clause and in which, and in accompanying letters [PTO, VI, at R46-48], he described his idea for a quick and easy means of opening cans without the use of a key. Because of the deletion, an attorney-employee of defendant told [wrote] plaintiff that his tendered disclosure was informal and that defendant could not accept his idea for consideration [PTO, IX, at R49], whereupon correspondence ensued in September and October in

which plaintiff said that he would not accept all of Form 2538 [PTO, X, at R49] and in which defendant repeated its insistence that, if it were to consider plaintiff's idea, it would have to be submitted in accordance with all of the provisions of Form 2538.

V. In November, 1955, however, plaintiff filled out and sent to defendant two new copies of Form 2538 [PTO, XV, & Exh. C, at R52, 102-5] with no deletion, and in these and in an accompanying letter he described his idea, saying that this was in place of his letter of explanation sent in August [PTO, XIV, at R51].

VI. In January, 1956, defendant informed plaintiff that it had considered his November submission, which it read as being substantially the same as his informally tendered submission of August, but would not be interested in his idea [PTO, XVII, at R52-3].

VII. Plaintiff's idea as he described it in his communication of August, 1955, was to seal the circular joint between the body of a can and the depending circular flange of its top or cover by means of a surrounding strip having two parts, namely, an outer strip of aluminum foil and a narrower inner tear-strip or tape, adhered to the inner face of the outer strip, that inner tape providing at its end a free tab which could be grasped by the fingers to pull it around and unseal the joint. In the unsealing, the action of the inner tape

when so pulled was to sever the wider outer strip of foil down the middle so as to leave its two edge parts in their permanent securement to the top and body respectively of the can. For this securement, plaintiff described two expedients, namely, (a) a mechanical clamping expedient involving the folding over or crimping of the metal of the can body and of its cover to form flanges that would pinch the two edges of the outer strip against the metal, and (b) as an alternative, plaintiff said that the strip also can be "adhered to" the top and body of the can instead of rolling it under flanges. No particular adhesive was mentioned. He described also a paper tape to be wound over the top of the aluminum foil as a binder which would hold the cover on under pressure. [See PTO, VI & VIII & Exh. A, at R46-49 & 96-99]

[*Comment:* Appellant's principal reliance has been on the disclosure of this "b" alternative which he has sought to read as a disclosure of a single-layer seal adhesively held.]

VIII. Plaintiff's idea as described in his November, 1955 communication was the same multiple-layer strip, with an inner tear-tape, as in his August, 1955 communication, with the exceptions that, in November, he did not mention the alternative way of securing the outer foil strip to the top and the body of the can by adhesion,

instead of securing it by the described clamping flanges, and that he did not include the further element of a paper tape binder outside the two-part sealing strip. [See PTO, XIV, XV & Exh. C, at R51-2, 102-105]

IX. In none of his 1955 communications did plaintiff describe or in any way suggest a seal consisting of a single strip of foil secured to the metal of the can top and the can body by an adhesive that would seal the joint but would permit that strip to be peeled off as an entirety to unseal the can; the only form of sealing strip described by plaintiff having been the two-part strip and the only manner of unsealing described by him having been the unsealing by use of the narrower inner tear-tape to sever the outer foil strip lengthwise, the edge parts of that outer strip above and below the severance then remaining secured to the metal either by their clamping flanges or by their permanent adhesion to the metal.

X. Defendant's can against which plaintiff's charge is laid is described [Tr. 52-3] in its Schneider patent No. 3,186,581 of 1965, applied for in December 1962 [PTO, Exh. E, R. 109-13], and employs as its means of sealing the circular joint a single strip of aluminum foil which spans the joint and is secured to the metal above and below the joint by a special adhesive, exemplified by an ethylene-acrylic acid copolymer, which provides the

necessary tightness of seal, but, by reason of its low resistance to peel, permits the aluminum foil to be peeled off as an entirety, with no tear-tape and no severance of the foil strip. [R. 111, Col. 3, lines 4-26; 47-50; Col. 4, lines 7-10]

XI. There is no evidence and no basis for an inference that in devising or adopting this form of sealing means defendant made any resort to or derived anything from the communications from plaintiff in 1955, which are kept in a file of many hundreds of submitted suggestions with no subject-matter index [Tr. 53-62]; and this form of single-layer sealing strip used by defendant, with its adhesive of low peel resistance permitting its removal as an entirety, is distinct from plaintiff's multiple layer strip in which unsealing is effected by action of the inner tape in severing the outer foil strip, leaving the two edge parts of the latter in their permanent securement to the metal.

XII. Plaintiff's patent application of January 1955, not disclosed to defendant but alluded to in plaintiff's communications of 1955 as a "Patent Pending" on his idea [PTO, IV & VI, at R. 46 & 48], described only his multiple layer sealing strip employing the idea of severance for unsealing [Tr. 48], and described as the means of securing the edges of the outer strip to the can top and can body only the use of an adhesive [Tr. 89]; and

neither in that patent application, which was abandoned, nor in two subsequent patent applications of 1961 and 1964, did plaintiff describe the idea of a single strip of aluminum foil secured to the metal by an adhesive permitting it to be peeled off as an entirety. [Tr. 48, 42, 89; for the application of January, 1955, see DX3 & PTO, II & III, at R. 45-6; for the 1961 application, see the patent issued thereon, No. 3,096,905 (R106); and for the 1964 application see R. 113-120]

XIII. Before 1955, a single layer sealing strip (tape) adhered to the top and to the body of a can, running around the circular joint between the two, and removable by being peeled off as an entirety, had been described in a number of patents [Exh. C1-C6, at R.181-211] including one as early as 1890 [R.181] and including two patents granted to defendant [R.191 & 197]; and in relation to this form of seal the use of aluminum foil as the single-layer material had been described in patents of that prior time [Exh. C5 & C6, at R200-209].

XIV. Also, before 1955, there were patents [Exh. D1-2, R.212-217] which described the multiple-layer, tear-strip style of seal which plaintiff adopted, with its inner tape or cord serving as the means of unsealing by severance of the outer strip, although without plaintiff's feature of the clamping flanges as the means of secur-

ing the edge parts of the outer strip to the can top and the can body; and at least one of those patents was known to defendant and was brought to plaintiff's attention in 1955 both by defendant and by the Patent Office. [Roden patent 1,180,541, at R.212, PTO, XII, at R.50; PTO XIII & Exh. B, at R.50 & 100.]

XV. Defendant has not appropriated any idea disclosed to it by plaintiff; but, on the contrary, with the exception of the particular adhesive of low peel resistance which defendant has used and which plaintiff did not disclose to it, defendant has used a form of single-layer, peel-off seal which was in the public domain prior to 1955. [cf. Findings VII to X, and XIII-XIV, *supra*]

XVI. The dealings between the parties in 1955 did not rest upon or give rise to any expressed mutually understood relation of trust and confidence. Not only did plaintiff not suggest in any way in 1955 that he was making a disclosure in confidence, but he knew in advance, from the express terms of Form 2538 which he did not delete in August 1955 [PTO VIII & Exh. A, ¶ E & F, at R48 & 97], and which were repeated in the full executed submission agreement of November 1955 [PTO, Exh. C, at R. 103], that defendant would not receive a disclosure in confidence and would receive one only on all of the terms and conditions of its Form 2538

which expressly excluded any disclosure in confidence [PTO, IX & XII, at R. 49 & 50].

XVII. Under the provisions of its Form 2538 which plaintiff accepted as the basis of his communications to defendant in 1955, defendant reserved its freedom to use things that already were in the public domain, even if included in what plaintiff disclosed [Form 2538 at R.103 ¶ E]; but because defendant did not use what plaintiff disclosed to it in 1955 it is not necessary to rest defendant's freedom on that reservation.

XVIII. By express statements to defendant in and after 1955, plaintiff evidenced a reliance upon whatever patent protection he might obtain, rather than upon any premise of a disclosure in confidence [R.55-59; 61-63]; and although he has reserved his position on his patent No. 3,096,905 which he obtained on his application filed in 1961, in this action and in the pretrial order, he has made no charge of infringement of that patent by defendant [Tr. 97].

XIX. Plaintiff disclosed his idea to a number of companies in the years 1955 to 1965 inclusive [PTO, LIII. at R. 74-5], and has not shown that in or after 1955 he treated it as a secret or took measures to protect it as a secret. His assertion is that none of these disclosures included the idea of a single-layer, peel-off strip adhered to the metal of the can top and can body, and that he

withheld that idea [Tr. 21], but it was not shown that he ever was in possession of that idea until he learned of defendant's can employing that different form of seal.

The Errors Relied upon by Appellant

Appellant's Brief does not set out either separately or particularly the errors intended to be urged. There is no reference to any of the findings of the District Court, and so a determination of the findings complained of and the particulars in which such findings are claimed to be erroneous is left to inference.[3]

From certain conclusory assertions of fact in the brief, we can infer that certain of the Court's findings are contested, but the grounds do not appear.

Speaking of Appellee's 1963 can (the accused can), which uses a single peelable strip as the sealing member (FF10[4], ante p. 8), Appellant says: "This [sealing member] was disclosed to Appellee in the August 1955 disclosure." (PB4) This assertion challenges the findings of the District Court to the contrary in regard to the 1955 disclosures. (See FF VII, VIII, IX & XV, ante pp. 6-8, 11).

Speaking of Paragraph G of the formal agreement, Form 2538, Appellant says: "The Appellee owed a duty

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3. These remarks apply equally to Appellant's Statement of Points (R263-4).
4. FF stands for the Court's Findings of Fact.

of secrecy to the Appellant prior to the consumation of any agreement" and that Appellee breached "this confidence" when it placed on the market the accused can (PB4). At this point Appellant seems to contest the finding and conclusion of the District Court that no relation of trust and confidence existed (Finding XVI, ante p. 11; and see R. 245, and R. 246). Later, however, Appellant says that in using the single sealing strip of peelable material, asserted to have been included in the August 1955 disclosure, Appellee "breached a contractual relationship and consequently a duty of confidence owed the Appellant" (PB7), but there is no identification of the grounds relied upon. The District Court held that "the legal rights and relations of the parties * * * are governed" by the submission Agreement (Form 2538) executed by Appellant in November, 1955. (Conclusion of Law I, R. 246). Earlier, Appellant straddles the question. He refers to Appellee's supposed misappropriation and asserts it "resulted in breaching a confidential and/or contractual relationship between the parties." (PB 3-4).

So it is not clear whether Appellant does actually challenge the Court's Finding XVI (ante p. 11) on the asserted confidential relationship, and Conclusions of Law I and II based thereon. (R.246).

In the next to last paragraph of his brief, Appellant

loes challenge the facts found in finding XI (ante p. 9) on the asserted derivation from Appellant, but again on no stated basis.

We find no challenge to any of the District Court's other findings, in particular findings XIII, XIV, XVII (ante pp. 10-11, 12). Indeed, we do not think they are or can be protested. These findings of themselves are sufficient to sustain the Court's judgment.

There is a criticism in the brief (PB 5-6) of the objection to certain evidence having to do with conversations held during the course of settlement negotiations (the ground relied upon being incorrectly stated by Appellant), but no mention is made of the Court's ruling sustaining the objection. Whether this is intended to be a criticism of the Court's ruling is uncertain.

Thus it would appear that Appellant challenges the following:

1. The findings as to what form of seal was described in his August 1955 submission, namely, findings of fact VII, VIII and IX (ante pp. 7-8, 9).

2. The finding that there is no proof or basis for inference that Appellee derived its 1963 can structure from the communications of plaintiff in 1965 (FF XI, ante p. 9) and,

3. Possibly finding XVI that the dealings between

the parties in 1955 did not rest upon or give rise to any relation of trust and confidence, and the conclusion that the relationship between the parties is governed by the November submission agreement. (Conclusions of Law I and II, R.246).

Appellee may also be challenging the Court's exclusion of evidence of conversations had in the course of settlement negotiations (Tr. 30-31). We rest on the Court's ruling. No comment is required.

SUMMARY OF ARGUMENT

1. Appellee has not used any idea, new or old, disclosed to it by Appellant in his 1955 communications.

2. What Appellee used in 1963, and since, was in the public domain and was known to Appellee before Appellant's 1955 communications (save for the particular type of adhesive used, a detail not disclosed by Appellant). In addition, Appellant's two-part tear-tape structure was basically old, and any novelty in it related to the particular form of crimping securement of the multiple strip by the metal of the top and body of the can, a structure not used by Appellee. So there is no subject matter as to which Appellant could have a claim against Appellee.

3. As a further proposition, not necessary to a disposition of the case if either of the first two major proposi-

tions is sustained, we add that there was no disclosure in confidence and therefore no obligation that might arise from a confidential disclosure.

ARGUMENT

1.

Appellee has not used any idea, new or old, that was disclosed to it by Appellant in his 1955 communications.

What Appellant disclosed in 1955.

The general subject involved is a tape or strip that is wrapped around a can, and is somehow secured to it, to cover and seal the joint between the can body and the depending flange of its cover or lid. The tape is secured to the metal in a way that seals and holds the cover in place during shipment and storage, but lets the user break the seal by pulling on a projecting tab at one end of the tape to unseal and release the cover. Appellant's 1955 idea was a specific way of providing such a seal.

As to his specifics, it simplifies here to consider first what was described in Appellant's disclosure of November 1955, because there is no dispute about it and it largely duplicates what was described in the earlier description "informally" submitted on August 9, 1955, as to which there is one dispute.

The November, 1955 disclosure comprises a sketch and explanatory text on the third page of submission Form 2538 as it was executed by Appellant on November 7, 1955 (PTO, Exh. C, R.104), and in the additional descriptive matter accompanying the transmittal letter of November 7, 1955 (PTO, paragraph XIV, R. 51-2).[5]

The sketches, the text concerning them and the letter, together describe a can body and its cover or lid, which has a downward circular flange, with Appellant's idea of how to provide a tape seal for the joint between lid (3) and body (7). The tape seal proper (4) has two parts that are stuck together; namely, a narrow inner tape (2) and outside it a wider strip (1). The inner tape (2) is of plastic and the outer strip (1) is of aluminum foil. This is not the thin household foil, but "similar to that used in the manufacture of freezer type pie plates" (PTO, R. 51, at lines 17-18).

This two-part structure (4) is wrapped around the can in a way to span and cover the joint. To secure it to the can, the outlying side edges of the foil strip (1), beyond the edges of the narrower inner tape (2), are permanently clamped to the can by crimping or rolling metal parts (6) of the can over them. The details of

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5. This was Appellant's only formal submission, and the execution of Form 2538 by the parties created an agreement governing their legal rights and relations with respect to the disclosure. On the present point it is needless to consider what those rights and relations were, since Appellee did not use the subject matter to which they pertain.

this mechanical clamping need no attention. The plastic inner tear-tape (2) is not adhered to the can.

To break the seal and free the cover, a pull tab (5) is provided by an endwise extension of the inner plastic tape (2) which projects beyond the end of the foil strip (1). This tab, sticking out, is grasped by the user, who then pulls it around. This pulling around of the inner tape tears or rips the overlying foil strip down its middle, along the edges of the clamping flanges. (See PTO, R. 52, at lines 3-6). The foil strip is thus severed lengthwise, but its untorn parts remain clamped to the can top and can body. The foil strip thus is not peeled off as a whole but is merely severed to break the seal.

This is the construction described and claimed in Appellant's patent No. 3,096,905 of 1963, applied for in 1961 (PTO, Exh. D; R. 106).

In his earlier communication of August 9, 1955 (PTO; VI, R. 46-8 particularly on p. 48, and Exh. A, R. 98), Appellant described this same two-part, tear-tape construction. This will be evident from the sketches in the Form 2538 as then sent in by Appellant (PTO, Exh. A, R. 98), and from the accompanying letter (PTO, R. 48).

He showed and described the two-part strip; wider foil (1) and narrower inner tape (3) adhered to the foil; the clamping of the side-edges of the foil to the

can by bent over parts called "flanges" (5) of the can body (8) and cover (9); and the severing of the foil when the inner tear-tape is pulled around (PTO, R. 48, at lines 9-10).

Then, in one sentence, he also described a suggested modification. The only dispute here, on the whole matter of what plaintiff described in 1955, concerns that single sentence, emphasized below, which is the last one in the second of the two paragraphs which set its context (PTO, p. 4), viz.,

> "Fig. 1 illustrates my new tape seal invention which I have named the "Keyless Can Opener" for means of identification. On this idea I have filed for patent. Fig. 2 shows the tape No. 6 on the can just before the can is sealed. Fig. 3 shows the sealed can. To open the can after sealing one only has to pull on the tab of the tape No. 4 winding it around the can thereby severing the seal, freeing the top from the can body.
>
> "Fig. 1 is composed of, for example, a strip of aluminum foil No. 1 adhered to this foil is a plastic tape No. 3. If so required, a coating of rubber or plastic can be applied to the edges such as No. 2 as these edges are to be rolled or crimped under the flanges No. 5 on the can top (telescopic) and the can body. Refer to Fig. 2. *Also this can be adhered to the top and bottom of the can instead of rolling it under the flanges if found desirable.*"

There is no dispute on the point that this sentence describes the adhesion of the foil strip to the can, as an

alternative to the mechanical clamping securement, shown in the sketch, by "rolling it under the flanges." Also there is no dispute on the point that the words "this" and "it", in reference to the part that can be "adhered", rather than being clamped by "flanges", is the foil strip "No. 1". The single question arises on Appellant's contention that this sentence describes not only this adhesion of the outlying side edges of the foil, as an alternative means of securement, but also describes a construction in which the inner tear-tape "No. 3" is *omitted* and in which unsealing is done by peeling off the metal foil strip *as a whole*, rather than by severing it lengthwise down the middle by pulling an inner tear-tape.

It is Appellee's submission that the sentence in question does *not* describe the idea of a single-layer strip of adherent "peel" tape, with no inner tear-tape, but describes *only* the two-part strip and *only* the one means of unsealing by the severing action of the tear-tape "No. 3"; and that the only content of the sentence is the idea of adhesion as an alternative way of securing the same two-part seal (foil No. 1 plus the narrower, inner tear-tape No. 3) to the top and bottom of the can, instead of using rolled over flanges to clamp the two-part seal in place. This interpretation is confirmed by the following facts:

First, the text has no mention whatever, or hint even, of omitting the inner tear-tape (3), or of unsealing by peel-off instead of by tear-tape severing of an outer strip. The immediately preceding paragraph, quoted above, which is a statement concerning the same "Fig. 1", contains the only description that is given of the unsealing action, and says: "To open the can after sealing one only has to pull on the tab of the tape No. 4 winding it around the can *thereby severing the seal*, freeing the top from the can body." The sentence on the "adhesion" alternative is in the succeeding paragraph which goes on to describe the structural details of that same "Fig. 1" sealing structure. Had Appellant contemplated the omission of any structural part, or any different unsealing action, a further statement on those subjects would have been needed. It is not there.

Second, this same August 9, 1955 letter says that "On this idea I have filed for patent", as indeed he had. The patent application referred to (PTO, II and III, R. 45-6), filed January 12, 1955, does *not* describe the securement by clamping flanges, but describes *only* the securement by adhesion which the sentence in question sets forth; but in that application the thing adhered to the top and body of the can is the two-part seal strip with the narrow, inner tear-tape, (sometimes referred to as the "multiple strip") and the *only* means of unsealing that is described is by severing the adhered

foil strip when the tab end of the inner-tape is pulled around the can, exactly as described in the letter of August 9, 1955 (Tr. 48). This shows that the idea of a two-part, tear-tape structure was the only "idea" Appellant had in his possession in early 1955; and that the idea of adhesion applied only to that sealing structure. In his August 9, 1955 letter he could not have described the single-layer seal strip structure that is peeled off as an entirety because the whole evidence of his then idea shows that he was not in possession of that different idea of the structure and of the unsealing action.

Third, Mr. Reiber's response of January 9, 1956 to Appellant's November, 1955, submission shows that he read Appellant's August 9 letter as describing only the two-part, tear-tape constructure (PTO, XVII, R. 52-3). He referred to the November "suggestion" as being "substantially the same as that which you had earlier submitted informally" (i.e., on August 9) and as being "the substitution of a *combination aluminum foil and plastic tape tearing strip* for the conventional integral tearing strip in metal cans". The conventional "integral" strip was the one in which a strip of the metal of the can wall was torn free along score lines by winding it up on a hand-operated key. Appellant had referred to that in calling his idea a "Keyless Can Opener."

Finally when Appellant came to file again for patent

protection on his new "idea" in 1961 he again disclosed only his multiple strip (FF XII, ante pp. 9-10). If he had ever had the idea of a single peelable strip seal this was the time to bring it forward. But it is not there. (Tr. 21-22). It is also inconceivable that, desperate as he was to find backers, he should never have disclosed this added idea (the single peelable strip) if he had had it, to the many companies to which he submitted his multiple seal idea with the rolling or metal clamping type of securement (Tr. 21; PTO, LIII, R. 74-5).

On this evidence, it is plain that the only can seal structure that Appellant disclosed to Appellee in 1955 was the two-part structure including an inner plastic tear-tape for unsealing by severing the outer strip of aluminum foil. This disclosed modification had to do only with the means of securing that two-part structure to the can, by adhesion rather than by clamping. His then pending patent application, not shown to Appellee, indicates that he was not then even in possession of the idea of adhering a layer of aluminum foil alone to seal the can, which he now contends he disclosed to Appellee.

What Appellee used.

In 1963 Appellee began marketing the can having the seal which Appellant says uses his idea of 1955. That

can is shown in Appellee's Schneider et al patent No. 3,186,581 of 1965, applied for December 20, 1962 (Tr. 52-3; for patent see item A in the book of patents or PTO, Exh. E, R. 109). A sample was filed with the complaint (PTO, Exh. I, R. 127). In it, the joint or gap that is sealed is not the usual one between the can body and the lid, but is a slit 36, in the can *body* 10, that runs almost all the way around, leaving a short uncut sector near the top edge of the body. The part of the can body *above* the slit 36 extends into the folded-over joint where it is joined to the lid 30. When the seal strip is removed, this upper part of the body remains joined to the cover.

The seal strip 40 is a single layer of aluminum foil held to the can body, above and below the slit 36, by a special adhesive described as a "thermoplastic resin * * * of low peel resistance". This adhesive is exemplified in the Schneider et al patent by an "ethylene-acrylic acid copolymer" (See patent at lines 4-6 of column 3). To break the seal, this foil strip is peeled off in its entirety, with no ripping or tearing or severing (id, lines 7-10 of column 4). There is no inner tear-tape.

When this seal strip 40 is removed, the cover is lifted by tilting it on the hinge formed by the uncut sector 38, and it can be removed entirely by flexing it until this uncut sector breaks.

No use of Appellant's idea.

For the present purpose, we put to one side the differences in Appellee's can structure, as to how the top and body are related, and also the fact that Appellee seals a slit 36 in the can *body*, rather than the joint between the can body and a cover flange that telescopes into the body. Looking to the make-up of the sealing strip itself, and to how the seal is broken, it is evident at once that Appellee has not used Appellant's 1955 idea of how to provide an easy-open seal.

Appellee has not used Appellant's two-part strip (multiple strip), with its tear-tape and its break of the seal by severance of the permanently secured foil strip; but instead, with the help of a special modern adhesive not described by Appellant, it has used only a *single foil strip*, adhered to the can body for sealing and *removed as an entirety by peeling it off*, with no rip or tear or severance.

It seems that even Appellant recognizes that there is no basis for his claim in his two-part, tear-tape idea, for his reliance seems to be upon his erroneous premise that his reference to an "adhered" modification, in that one sentence of his August 9, 1955 letter, was a description of a single-layer foil strip, omitting the inner tear-tape, for removal as an entirety by peeling off. The error of that having been shown (ante pp. 22-24), it is

plain that there is no basis for the claim that Appellee has used something that was disclosed to it by Appellant in 1955.

This in itself disposes of the whole action, regardless of whether the form of seal described by Appellant was new or was old. To have even a hope of a claim, Appellant would have to show both that he disclosed something new, and also that Appellee used it; but since Appellee has not used what he did disclose, there is a fatal gap at the very outset as to one of the two minimal and basic prerequisites of a claim. The third prerequisite, a relation of contract or of trust creating an obligation to Appellant, is absent also but need not be considered in full at this point. See *American Potato Dryers v. Peters*, 184 F2d 165, at 172 (CCA 4, 1950); *Hisel v. Chrysler Corp.*, 94 F Supp 996, at 1002 (WD Mo, 1951), aff'd 187 F2d 285; *De Filippis v. Chrysler Corporation*, 53 F Supp 977, at 980-981 (SD, NY 1944) aff'd 159 F2d 478; *Carneval v. William Morris Agency, Inc.*, 98 US PQ 84, at 85 (SC, NY 1953).

Appellant's contentions.

Appellant ignores the evidence just reviewed as to what actually was disclosed and as to what Appellee has used; and instead relies on two items which he conceives to have probative force as evidence establishing a misappropriation.

1. He says that his attorney in writing to Appellee stated "without reservation" that Appellee had misappropriated his property (PB4), as if counsel's claim could be taken as proof of the fact claimed.[6] The Court below pointed out to him that counsel's letter had no force as evidence and was not proof of the claim asserted (Tr. 33). We do not need to say more.

2. That as a result of the above charge Appellee proposed a meeting at which Appellant's grievance was to be "seriously explored" and this action on Appellant's part exploring the possibility of a settlement of the controversy constituted a "tacit agreement with appellant's grievance" (PB 4-5). The Court below explicitly warned Appellee that he was not to go into the matter of any settlement agreements, explaining that the law favors settlement and that if testimony in regard thereto could be used "to prove the main case, people would be afraid to enter settlement negotiations." (Tr. 39-40; 98-9) This is, of course, hornbook law. *West v. Smith*, 101 U.S. 263, 272-3 (1879).

2.

What Appellee used in 1963, and since, was in the public domain and was known to Appellee before Appellant's 1955 communications (save for the particular type of adhesive which is a detail not disclosed by Appellant), as was

6. That counsel did have serious reservations, is seen by their earlier letter. (PTO, XLA, R.65-7)

also Appellant's tear-tape seal structure; so there is no subject matter as to which Appellant could have a right against Appellee.

Long, long before 1955, it was public knowledge and was known to Appellee, that the joint in a container (can or whatever) could be sealed by an encircling strip taking either of two forms, viz., a single-layer adhered strip that could be peeled off as an entirety, or a two-part strip that could be ripped (severed) by pulling an inner tear-tape, leaving the two side edges of the outer layer in their permanent securement on either side of the joint. With either structure of sealing strip, securement by some form of adhesion was commonplace.

Peel-off seals.

In 1890, the Hidden patent No. 424-982 (Exh. C-1, R. 181) described the peel-off strip as an old idea even then. In those days, the strip covering the joint was adhered to the cover and to the body of the can by solder; but the idea of how to seal the joint, and how to unseal it, was precisely that used by Appellee, although in Appellee's case with a modern thermoplastic adhesive instead of solder. Hidden, whose "invention" had to do with reducing slip of the fingers on pull tab, said this of what was known in 1890 (R. 182, lines 11-17):

> "This invention relates to that class of sheet-metal cans in which the cover is connected with the

> body of the can by means of a sealing-strip soldered at its upper and lower edges to the cover and body of the can, respectively, so that by tearing away said sealing-strip the cover may be readily removed from the body."

In Hidden's can, the metal peel-off strip C surrounded the can at the joint between the cover B and the can body A; and had an "extension" tab *c* sticking out to be grasped and pulled. What he called "tearing away" is not a severance of the strip but a peeling off.

The patent No. 1,311,541 of 1919 to Tomlinson et al (Exh. C-2, R. 183) described a use of such a soldered "peel-off" strip to seal a slit which extended only part way around the body, leaving a scored and uncut line to serve as a hinge when the seal is peeled off and the container is opened, as in Appellee's can. This patent said (R. 184, lines 25-29; 35-45):

> "We provide such a container by slitting the metal blank for a sufficient distance and then soldering a metal strip, known as taggers tin,[7] over the slit. * * * It is desirable to have the slit extend across what may be termed the top of the container (in the case of a rectangular container), and part way down the two sides, the metal being scored from the ends of the slit to the bottoms of the sides. The metal

7. The material described as "taggers tin" is a form of light gauge tin akin to the relatively thick aluminum foil referred to by Appellant, which is not the familiar household foil, but is a thicker sort as used in pie tins. See PTO, R. 51, lines 17-18; and Encyclopedia of The Iron and Steel Industry, p. 419, "taggers", (Exh. E, R.220). Appellant does not conceive of his subject matter as being limited to any particular metal. Indeed he asserts that it embraces adhering of "foil strip, or in fact any materials to cans" (PB7).

strip or taggers tin is soldered at its edges so as to make the slit air- and gas-tight, the strip being, however, *easily detachable by outward pull* on one end thereof, which end is left unfastened."

That Appellee knew of that peel-off style of seal is evidenced by two patents which show on their faces that they were issued to it in 1943 and 1951, viz., Socke 2,334,224 and Peters 2,555,366. (Exh. C-3 & C-4, R. 191 & R. 197)

Appellee's Socke patent deals with machinery (here immaterial) to apply such a seal around the joint between the top and the body of a can, the inner face of the seal tape being coated with an adhesive to hold it in place. By that time, peelable adhesives had replaced solder. Such a one-layer sealing tape is referred to by Socke as something known, a Cellophane plastic tape being cited in particular as a suitable material (Socke, col. 1, lines 5-12, R. 191). The tape is shown in Fig. 15 of the Socke patent as part C, at the joint between can body A and cover B (R. 191). An end F of the sealing tape is left free to serve as a pull tab. The "peel-off" idea is expressed by saying that this tab is "for convenient manual engagement to *pull the tape off the can, when it is desired to open the latter*. This is done by *stripping off* the tape which is thus *removed as an integral unit*". (Socke, R. 194; column 1, lines 67-74).

Appellee's Peters patent (R. 196) shows a like sealing tape 32 around the joint between the body 11 and hinged top 14 of a can, illustrated as the familiar pocket size tobacco can. The can body has a wide outward bead 18 near its top, and the "depending flange wall" 28 of the hinged cover is "flush with the outside wall of the bead to provide a uniform surface for application of a *sealing tape which extends over the adjacent* flush edges of the cover and the bead when the *cover is in closed position on the can.*" (Peters, R. 197, column 1, lines 11-17). The unsealing, for opening the can, is described thus:

> "When it is desired to open the can *the sealing tape may be pulled off* or if desired may be cut along the terminal edge of the cover flange. The cover may then be hinged to open position and may be repeatedly used as a reclosure of the can." (R. 198, column 3, lines 18-23).

The choice between plastic or thin metal ("foil" in the present context) as the tape material of course is an open one in this day and age; but to put even this detail out of the area of dispute we note that the use of metal foil, and of aluminum foil in particular, as the material for such a sealing tape is explicitly described in the pre-1955 patents of Weber, 2,504,060 and Baron, 2,528,296. Both show that a sealing tape of metal foil was a commonplace, in that they do not describe it as a novelty

but are concerned with ways of applying such tape in mass production. As Weber says, at lines 1-8 and 29-36 of column 1 (R.204):

> "The present invention is concerned with the sealing of tins or other containers against ingress of air or moisture by means of *adhesive tape* which is applied in the form of an *encircling band overlapping the crevice formed between the container and its associated lid*, the edge of the lid overlapping the sides of the container.
>
> * * * * *
>
> "In some cases it is desired to use a *metallic tape* for sealing purposes such as, for example, *one composed of aluminum foil* and the chief object of the present invention is to effect certain improvements in or modifications of the existing machine to enable *such metallic tape* to be efficiently applied to provide efficient sealing of the tin or other container."

The Baron patent deals similarly with a machine for applying such an adhesive tape, and opens similarly by saying, at lines 7-15 of column 1 (R.210):

> "According to this invention the joint between related metal box parts is effectively sealed by applying thereto with the aid of heat and pressure a composite sheet material composed of a strip of *tin, aluminum or like metal foil* faced on one side with india rubber, gutta percha or like impervious material adapted under the influence of heat to soften and assume an *adhesive* condition."

These patents, pre-1955, put it beyond question that Appellee's can, here accused as to its single-layer aluminum foil sealing tape, was based in that respect upon an ancient and well known expedient. (See also footnote, post p. 38). Even had Appellant's 1955 submissions to Appellee included a description of such a single-layer tape (which they did not), they would have stood in the category of being "yesterday's newspaper." There could be no circumstances under which anyone's freedom to use such a tape could be cut down, all others remaining free to use it, merely because someone wrote in with a repetition of what several, including Appellee itself, had made public years before. Cases, ante p. 27, and *Masline v. N.Y., N.J. & H. RR Co.*, 112 Atl 639 (SC. Conn. 1921).

Two-part, tear-tape seals.

The other known scheme for providing an "easy-open" sealing type was the one Appellant adopted: namely, a two-part strip in which the narrower inner layer, adhered to the outer, serves as a tear tape by which to sever the outer strip, leaving the two side edges of the outer strip in their permanent securement (conventionally by adhesion) to the top and body respectively of the can. This idea was fully disclosed in the Roden patent No. 1,180,541 of 1916 (Exh. D-1, R.212) which was in Appellee's Patent Library and which Mr.

Reiber of Appellee brought to Appellant's attention in October, 1955 (PTO, XII, R.50). The Roden patent shows the wider outer strip 10, gummed on its inner face, the inner narrower strip 12 adhered to the outer strip, and the pull-tab 13. Roden recognized this as being old in 1916 and purported only to "provide a wrapper, label or sealing strip of improved construction" (R. 213, lines 15-22). He described his as a keyless opener, saying that he had "improved means for permitting such strip to be readily ruptured or torn apart to allow the can or carton to be opened *without use of any instrument aside from the means contained within the sealing strip itself*" (R.213, line 75 to R.214, line 11). Roden's text would serve as a description of Appellant's idea (save for the material of the outer strip, which in 1916 was not the aluminum foil of later years that was resorted to by the later patentees cited above and by Appellant, as cited above). Roden said (R.213-4):

> "* * * The face of the strip 10, which is to be applied to the can or carton, is provided with some suitable adhesive material, such as gum or mucilage, and the strip 12 when placed upon the strip 10 is secured thereto by the adhesive material, the outside face of the strip 12 not being provided with adhesive material, so that the outside of this strip will not adhere to the surface of the can or carton. This strip 12 is preferably of tougher material of the same kind as the strip 10, or may be of other material, the object being that in removing the strip 12, the strip 10 will be ruptured or fractured before the strip 12 is broken, *thus permitting the strip 10 to be*

broken the full length of the strip when the strip 12 is removed. This strip 12 when the adhesive strip is applied to the can or carton is designed to lie adjacent the lower extremity of the flange on the lid or cover, so that the operator when it is desired to open the can or carton may, by pulling on the free end of the strip, cause it to fracture the sealing strip throughout the length thereof, and about the periphery of the lid or cover, *in the well known manner*, to permit the same to be removed.

"For convenience in manipulating the strip 12 to open the package, one end of the strip, as at 13, is extended beyond the end of the adhesive strip 10, in order that the protruding end may be grasped more easily."

The same idea of a two-part, tear-tape seal was described in 1938 by the Schunemann patent 2,120,629 (R.216), which up-dated the subject by specifying "metal foil" as a suitable material for the outer strip (his part 1). This patent said (R.217, lines 3-18):

"This invention relates to an air and moisture proof *rip seal* for packages and boxes of any kind, more particularly cigarette packages of that type wherein the opening joint of the package, for instance the joint between the base part and the cover, is effected by an air and moisture proof seal strip, for instance, of cellulose derivatives *or metal foil*, which is provided on the inner side with a layer of glue and *carries on this glued side a narrower strip*, for instance of metal foil or a plurality of spaced strips or cords (of hemp) which serve as ripping strips or cords so that when the package is opened, *not the entire seal strip surrounding the opening*

joint is torn off but only the middle part of the strip which is covered by the ripping cords or ripping strips."

On this evidence of what was in the public domain well before 1955, it is evident that except for his clamping flange idea Appellant had nothing new which could be a trade secret or exclusive property, and it is not surprising to find that both parties here were able to obtain only very narrow claims when they sought patents on their respective constructions. Appellant's patent 3,096,905 (R.106) is limited necessarily to specific details, including the securement of the side edges of the outer strip by folded-over clamping flanges on the can cover and can body. Appellee's Schneider patent (R.109), which is not a patent on the peel-off seal strip itself, is limited to the particular can construction employing it. It is limited in its claims not only to the special type of adhesive of low peel resistance for the peel-off strip, but to such details of the can construction as the "circumferential slit" in the can *body* and the "collar" 58 for supporting the can body behind that slit and for providing a reclosure seat.

It is plain from this indisputable evidence that in 1955 Appellant had nothing new in his "idea" as described to Appellee except for very specific details, such as the flange clamps which it is not contended defend-

ant has used. Appellant's claim here entirely ignores what was known to Appellee and free to all, and seeks to tax Appellee, by reason of his having submitted to Appellee an idea which was as old as the hills, despite the fact that Appellee never used that style of seal but used the simpler and equally well known peel-off style of seal.[8]

The dismissal of Appellant's claim was right for each of the two reasons, that what he disclosed was not used by Appellee and that it was not new, and was susceptible of exclusive protection only as to highly specific details, such as the clamping feature, of no moment here.

3.

There was no disclosure in confidence and therefore no obligation such as might arise from a confidential disclosure.

This is a serious charge, and we believe it should be answered squarely, even though its merit is immaterial because, as shown above, Appellee has used nothing new that Appellant disclosed to it. Even if the circumstances of the August 9, 1955 communication of Appellant were such that a "Trust" obligation would have arisen *if*

8. Appellant does not question in his brief the validity of findings XIII and XIV (ante p. 10) that both of these styles were old, and at the trial he appeared to concede that they were. (As to the single peel-off strip see Tr. 82; as to the "multiple strip" see Tr. 93-4).

Appellant had disclosed anything new and *if* Appellee had used that new matter, Appellant would have no claim unless he showed that there was in fact something new and that Appellee did use it. It is because Appellant cannot show either of those elements that it is needless to determine whether or not the relation was one of trust and confidence; but we venture nevertheless to state the reasons why the episode could not have given rise to that relation.

The relevant facts are these. From a publication concerning this matter of submitting ideas to a company, Appellant had learned that Appellee had a submission form No. 2538, stating the conditions on which it would consider an idea from outside its organization (FF III, ante p. 5). On March 4, 1955, he wrote to Appellee, not describing his idea, but saying he had an invention with "Patent Pending" and asking for copies of "Form 2538" and on March 7, Appellee's Mr. Erne sent him the blank forms with a letter stating that if Appellant wished to disclose his invention fully and definitely, Appellee might then investigate its merits (PTO, IV and V, R.46).

On August 9, having filled out the form by making sketches and writing explanatory words in the space provided, he sent in the Form 2538, but with a letter (PTO, VI, R.46-7) saying:

"I am submitting my invention for your inspec-

> tion after modifying the last sentence in paragraph E. I didn't quite understand it. I hope this will be permissible."

The modification was a deletion of one clause, of no present materiality.

This bespeaks the fact that between March and August Appellant had examined the terms of Form 2538 and was content with them, since he elected to use the form, except for one clause he "didn't quite understand."

Appellee's attorney-employee, Mr. Reiber, replied on August 17 saying that "we cannot accept this disclosure because it is informal in that you have stricken from it a portion of paragraph E." Reiber explained the stricken clause, sent two new forms, and concluded by saying: "Upon receipt of the newly submitted idea we will consider it and advise you of our decision." (PTO, IX, R.49).

Correspondence followed in which Appellant said "After further study I have decided that I would rather not submit new drawings under the conditions set forth in paragraph E as a whole." (PTO, X, R.49) Then on November 7, 1955 Appellant executed and sent to Appellee copies of Form 2538, unaltered, with accompanying letters in one of which, preceding a description of his two-part tear-tape held by clamping, he said:

"I am submitting this letter to explain my new idea in place of the letter of explanation dated August 9, 1955" (PTO, XIV, R.51)

Appellee executed these unaltered copies of Form 2538, proceeded to consider the idea disclosed, and on January 9, 1956 informed Appellant of its views concerning his suggestion (which it referred to as "the substitution of a combination of aluminum foil and plastic tape tearing strip"); namely (a) that "the added cost in manufacture * * * would seem unwarranted", (b) that it was "broadly anticipated" by certain identified prior patents, including that of Roden (ante p. 34); and (c) that "In view of the above explanations, we would not be interested in your suggestion". (PTO, XVII, R. 52-3).

These facts establish the following:

1. At no point did Appellant say or imply that his communication of August 9, 1955 was in confidence.

2. That communication was not only voluntary on Appellant's part but was made with full knowledge, from his evident careful study of Form 2538, that Appellee (for reasons stated in the form) "cannot look into any idea or ideas submitted except on the terms and conditions set forth in the following form", (PTO, Exh. A and Exh. C, R.96 and 102).

3. That one of those terms and conditions was that of paragraph F of the form which said:

> "It is clearly understood that I submit my idea for your consideration without creating any confidential relationship between us nor do I impose upon you any pledge of secrecy but merely accept your intention to give my idea no unnecessary publicity."

4. The communication of August 9, 1955 did not stand in isolation but was a part of a course of dealing, begun in March, in which Appellant sought to submit his idea and, after the minor haggling in August-October (PTO, IX-XII, R.49-50) over the terms that were to govern, finally did submit it on November 10, 1955 on all of the well-considered terms and conditions of Form 2538.

5. In August and throughout Appellant knew that there could be no mutually understood confidential relationship, because Form 2538, which he received in March, told him that Appellee would not accept his submission on that basis; and save for his temporary boggle over the clause in paragraph E to which he finally assented, he made no attempt whatever to submit his idea on any basis except that set forth in Form 2538, in which paragraph F expressly negated any disclosure in confidence.

6. No legal relationship was created by the August 9, 1955 communication, which stands only as a preliminary step of negotiation which led to the express, executed agreement of November 10, 1955, into which all preliminaries were merged and which stands as the single and complete agreement governing the legal relations of the parties (See Conclusion of Law I, R.246), subject only to the legal effect of Appellant's subsequent acts (e.g., expressions of reliance on such patent protection as he might get, laches in assertion of any claim, etc.).

On these facts, there is no basis for Appellant's claim of a confidential relationship or a breach of trust, and the Court below so held (FF XVI, ante p. 11). Appellant relied throughout on (a) his hope of protecting his idea by patents, and (b) his formal agreement of November 10, 1955 in which Appellee in paragraph E fully reserved (among other things) its freedom to use anything already available, whether or not included in Appellant's disclosure pursuant to that agreement.

The case therefore has no trace of the color which understandably exists when a company learns of an idea in confidence, or by wrongful means, uses that new idea, and then seeks to escape compensation to its teacher by raking up prior disclosures that had taught it nothing. Hence there is not presented here the ques-

tion whether or not in such circumstances the issuance of a patent (which ends any secrecy) terminates any liability for further use. See *Picard v. United Aircraft Corp.*, 128 F2d 632 at 637 (2 Cir., Hand J., 1942).

The fact situation here is kindred in all essentials to that which resulted in a dismissal of the claim in *Hisel v. Chrysler Corporation, et al*, 94 F Supp 996 (WD, Mo, 1951) affirmed 187 F2d 285 (8 Cir); *De Filippis v. Chrysler Corporation*, 53 F Supp 977 (SD, NY, 1944), affirmed 159 F2d 478 (2 Cir); *Carneval v. William Morris Agency, Inc.*, 98 US PQ 84 (Sup Ct. NY); and *Telechron, Inc. v. Parissi*, 120 F Supp 235 (ND, NY), affirmed 229 F2d 440 (2 Cir).

CONCLUSION

This action was rightly dismissed, and the judgment of the lower Court should be affirmed.

Respectfully submitted,

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Dated: December 14, 1967

CERTIFICATE

I certify that, in connection with the preparation of the foregoing brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit, and that, in my opinion, the foregoing brief is in full compliance with those rules.

_____

of Attorneys for Appellee